



## General Information

### Who must file Form ST-556?

If you sell items that must be titled or registered by an agency of Illinois state government — vehicles, watercraft, aircraft, trailers, and mobile homes — at retail in Illinois, you must report these sales on Form ST-556, Sales Tax Transaction Return.

**Note:** If you are an out-of-state lessor selling such items at the end of a lease, please use the instructions for out-of-state lessors (ST-556[2]).

### Must I keep forms that are void?

Yes. Write "Void" across the form; keep it with your records for 42 months in case of an audit. Do not send any part of the form to us.

### How do I obtain forms and get help?

Form ST-556 is preprinted for each of your business locations. You can obtain Form ST-556 by calling our Central Registration Division at **217 785-3707**.

You can also obtain related forms, which are not preprinted, by

- visiting our web site at **tax.illinois.gov**
- calling our 24-hour Forms Order Line at **1 800 356-6302**
- writing to  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19010  
SPRINGFIELD IL 62794-9010

You can get help by

- visiting our web site at **tax.illinois.gov**
- calling our Taxpayer Assistance Division at **1 800 732-8866** or **217 782-3336**
- calling our TDD (telecommunications device for the deaf) at **1 800 544-5304**
- writing to  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19015  
SPRINGFIELD IL 62794-9015

## Specific Instructions

### 1 Write the buyer's name and address

The buyer's name and address must be the same as the name that will be written on the application for title or registration. If there is more than one buyer, be sure to write each name.

### 2 Describe the item sold

**Note:** If you sold more than one type of item — a watercraft and a trailer, for example — or more than one item of the same type — three motor vehicles, for example — you must generally complete a separate Form ST-556 for each item sold. If, however, you wish to report **sales for resale** or sales for use as **rolling stock** of more than one of the same type of vehicle, watercraft, aircraft, trailer, or mobile home to the same buyer with the same date of delivery, you may file Form ST-556-R, Resale and Rolling Stock Fleet Exemption Schedule, attached to a single Form ST-556.

Check the correct box (A-F) to show the type of item sold. If the type of item sold is not identified in boxes A-E, check box F and write the type of item sold on the line provided.

Check the correct box to show whether the item sold is new or used.

Next, write the appropriate identification number for the item sold, such as a vehicle identification number (VIN) for vehicles, trailers, and mobile homes, a hull identification number (HIN) for watercraft, or (N) number for aircraft.

Finally, write the year, make, body style, and model of the item sold.

### 3 Write the date of delivery

Write the month, day, and year in which the buyer took possession of the item. If the buyer has been leasing the item and, therefore, already has possession of it, write the date you applied for a change in the title.

**Note:** This return is due no later than 20 days after the date of delivery.

### 4 Describe the trade-in, if any

If you did not claim a qualified trade-in, skip this section and go to Section 5.

If you claimed a qualified trade-in, write the type of item traded in (for example, automobile, truck, airplane, boat, trailer). Next, write the appropriate identification number, year, make, body style, and model of the trade-in.

#### What is a qualified trade-in?

A qualified trade-in is an item

- that the buyer gives you to reduce the selling price (in part or in full) of the item sold;
- that you are allowed to subtract from the total price; and
- that you are in the business of selling.

You are "in the business of selling" a particular kind of item if you hold yourself out to the public as being engaged in (or habitually engage in) selling such items.

**Example:** You may claim the trade-in of a boat on an auto if you are in the business of selling **both** boats and autos.

However, you may not claim the trade-in of a boat on an auto if you are in the business of selling **only** autos.

### 5 Exempt or sale to a nonresident

If the sale is to an Illinois resident and taxable, skip this section and go to Section 6.

If the sale is exempt, check the correct box (A-F), and complete Section 6, Lines 1 and 2.

If the sale is to a nonresident who is subject to tax (non-reciprocal buyer), complete box A as instructed below and complete all of Section 6.

If you are not required to submit title or registration paperwork on the item, send the return directly to us at Illinois Department of Revenue, Retailers' Occupation Tax, P.O. Box 19042, Springfield, IL 62794-9042.

#### A. Sold to a nonresident buyer (NOT an out-of-state dealer)

Check this box if you sold a vehicle or trailer to a nonresident buyer (**not** an out-of-state dealer) who took possession of the item in Illinois and

- you issued a drive-away permit for the item sold; or
- the buyer transferred out-of-state license plates to the item sold.

If you issued a drive-away permit, write the drive-away permit number **and the two-letter state abbreviation** of the buyer's state of residence in the space provided. If the buyer transferred current out-of-state license plates to the item sold, write the license plate number **and the two-letter state abbreviation** in the space provided.

**Note:** Dealers claiming the "nonresident buyer" exemption should keep a copy of the buyer's valid out-of-state driver's license in their books and records as proof of non-residency.

#### **Non-Reciprocal Buyer**

You must complete Line 5, box A, **and** you must collect tax when you sell a motor vehicle or trailer to a nonresident who will title it in a state that does not give Illinois residents a "nonresident buyer" exemption on their purchases of motor vehicles or trailers that will be titled in Illinois (*i.e.*, there is no reciprocal exemption). See the instructions for Section 6, Line 4. See Information Bulletin FY 2005-13 and the Reciprocal NonReciprocal Tax Rate Reference Chart on our web site for more information.

#### **Indiana Purchasers of RV's and Cargo Trailers**

If you sell a recreational vehicle or a cargo trailer to a purchaser that will title or register that item in Indiana, the transaction is exempt from Illinois tax if a drive-away permit is issued or the Indiana purchaser has vehicle registration plates to transfer to the vehicle upon returning to Indiana. You must check Section 5, box F, "Other" and write "recreational vehicle" or "cargo trailer" on the line provided. See Informational Bulletin FY 2006-11 for more information.

#### **B. Sold for resale to a DEALER**

Check this box if you sold the item to either an Illinois or out-of-state dealer for resale.

- If you sold to an Illinois dealer, write the dealer's account ID number in the space provided.
- If you sold to an Illinois dealer as junk or salvage or for parts, write "Junked," "Salvage," or "Parts Only" after the account ID number.
- If you sold to an out-of-state dealer, write "Out-of-State Dealer" in the space provided for the account ID number.

Keep a completed Form CRT-61, Certificate of Resale, in your books and records for documentation.

#### **C. Sold to an exempt organization**

Check this box if you sold the item to an exempt organization that has an active Illinois Sales Tax exemption "E" number, such as:

- a government agency
- a school
- a religious organization
- a charitable organization

In the space provided, write the organization's active Illinois Sales Tax exemption "E" number. The buyer must be the organization itself rather than a member or officer of the organization. The item must be titled and/or registered in the organization's name and paid for with the organization's funds. The organization's exemption number must have been in effect on the day you made the sale.

**Note:** In addition, you may check this box if

- the motor vehicle purchase is specifically for the purpose of donating it to an exempt organization that the department has determined is organized and operated exclusively for educational purposes. In the space provided, write the active Illinois Sales Tax exemption "E" number of the educational organization to which the vehicle is being donated, or

- the purchase is made by a lessor who will lease it to a government organization. In the space provided, write the active Illinois Sales Tax exemption "E" number of the government organization.

#### **D. Sold to an interstate carrier for hire for use as rolling stock**

Check this box if you sold an item for use as rolling stock to haul persons or commodities for hire in interstate commerce. In the space provided, write the certificate of authority number. Keep a properly completed Form RUT-7, Rolling Stock Certification, in your books and records for documentation.

#### **E. Sold for rental use**

Check this box if

- you sold the vehicle to a business that is registered to collect Automobile Renting Tax and
- the buyer will use the vehicle for rental purposes in rental agreements of one year or less.

Write the buyer's Illinois account ID number.

#### **F. Other**

Check this box if the sale is exempt for a reason not identified in boxes A - E.

For example:

- You sold a recreational vehicle or cargo trailer to a purchaser that will title and register the item in Indiana and you have issued a drive-away permit or the Indiana purchaser has vehicle registration plates to transfer to the vehicle upon returning to Indiana. In the space provided, write "recreational vehicle" or "cargo trailer."
- You delivered — or caused to be delivered — an item to a buyer outside Illinois. In the space provided, write "Delivered Out-of-State."
- You sold the item to a foreign consul who has a card from the U.S. Department of State declaring that the foreign consul does not have to pay sales tax on that item. In the space provided, write "Foreign Consul."
- You will use the item for "interim use." The item must remain in your sales inventory and be available for sale at all times. In the space provided, write "Interim Use".
- You sold the item to a lessor who leased and delivered the vehicle in Illinois to a lessee from a state that does not provide a sales or use tax exemption for purchases of motor vehicles by Illinois residents who take delivery in that state but who register the vehicle in Illinois. In the space provided, write the two-letter state abbreviation of the lessee's state of residence and the words "Lease Transaction". For example "IN Lease Transaction".

If you have aircraft or watercraft that you have purchased for resale in your sales inventory and you use these items for demonstration or business purposes, you must pay Illinois Use Tax on your cost price of these items if you hold them for more than 18 months.

If you later sell the items and collect Illinois Sales Tax, you will not receive credit for any Illinois Use Tax you may have paid.

## **6 Write the price, and figure the tax**

**Note:** When you complete this form, please round to the nearest dollar by dropping amounts of less than 50 cents and increasing amounts of 50 cents or more to the next higher dollar.

**Line 1** Write the total price, including accessories, federal excise taxes, freight and labor, dealer preparation, documentary fees, and any rebates or incentives for which you as a dealer receive reimbursement. Do **not** subtract the value of any rebate made directly to the customer. In general, any cost passed on to

the customer as part of the sale of an item and for which gross receipts are received should be included in the total price.

**Note:** If you are selling a new truck weighing 33,000 pounds or more or a new trailer or semitrailer chassis weighing 26,000 pounds or more, you may exclude the federal excise tax from the total price.

**Line 2** If you claimed a qualified trade-in (see Section 4), write the total trade-in credit or value. You must identify the traded-in item in the spaces provided in Section 4.

If you completed Section 5 and no tax is owed, skip to "Sign the return." Otherwise, continue reading.

**Line 3** Subtract Line 2 from Line 1.

**Line 4**

- If you made this sale at the location printed on the front of the tax return, multiply Line 3 by the tax rate printed on your return.
- If you made this sale at an off-site location (such as a "tent sale" location), please follow the instructions on our Form ST-23, How to Report Off-Site Sales on Form ST-556, Sales Tax Transaction Return.
- If you made this sale to a nonresident who takes delivery of a motor vehicle or trailer in Illinois and who will title it in a state that does not have a reciprocal out-of-state buyer exemption for Illinois residents, multiply Line 3 by the nonresident's state sales tax rate, up to 6.25 percent. Visit our web site to find the Reciprocal NonReciprocal Rate Reference Chart.

**Note for business locations in Cook, DuPage, Kane, Lake, McHenry, or Will County when the customer's address is in Chicago:**

If your customer's address on Form ST-556, Section 1, is within the corporate limits of the city of Chicago, your customer owes an additional 1.25 percent home rule use (sales) tax, known as "Chicago Home Rule Use Tax." To help you calculate the tax due on one of these sales, we preprint a combined rate on your ST-556 below Line 4. This combined rate includes your tax rate plus the additional 1.25 percent (.0125) home rule use (sales) tax. To figure the correct tax due, multiply the amount subject to tax on Line 3 by the combined rate. Write the result on Line 4.

**Line 5 Read these instructions if your buyer's address in Cook, DuPage, Kane, Lake, McHenry, Will, Madison, or St. Clair county.**

Your buyer may owe tax at a higher rate than the rate at which you are required to collect tax. This applies to a buyer that is located in a portion of one of the above counties in which tax has been imposed by the Regional Transportation Authority, Metro-East Transit District, or DuPage Water Commission District. In these cases, you may do your buyer the courtesy of collecting the additional tax (called "use" tax) so that he or she will not be billed for it later. Once you have determined whether your buyer is subject to a higher rate than your rate, you should multiply the amount on Line 3 by any difference in rates (expressed as a decimal), and write the result on Line 5.

Finally, write the name of the

- buyer's county
- buyer's city or village, if any, and
- buyer's township if the address is in Madison or St. Clair County.

**Do not report home rule use tax on Line 5.**

**Line 6** Add Lines 4 and 5.

**Line 7** If you are filing this return within 20 days of the date you wrote in Section 3, multiply Line 6 by the rate printed on your return.

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**Line 7a**

**Note: Line 7a is preprinted only if you have a business location in the Metro-East Mass Transit District portion of St. Clair County.** We are responsible for collecting and administering the fee on vehicles imposed by the transit authority. Multiply Line 3 by 0.5 percent (0.005).

- If the result is **less than \$20**, write the result on Line 7a.
- If the result is **\$20 or more**, write \$20 on Line 7a.

**Line 8** Subtract Line 7 from Line 6. If you wrote an amount on Line 7a (preprinted), subtract Line 7 from Line 6 then add the amount on Line 7a.

**Line 9** If we have notified you that you have an overpayment credit on your account, you may use this overpayment credit to pay some or all of the tax due on this return. Write the amount you wish to use.

**Line 10** In order for us to allow a credit amount that you write on this line, you must meet the requirements described in items 1 through 3 below.

**Requirements to claim credit for a previously leased item**

1. Use tax was paid either to an Illinois retailer on Form ST-556 or directly to us on Form RUT-25 when the item was purchased.
2. The amount of credit you take on this line is equal to or less than the amount of tax due on the ST-556 on which you are now reporting the retail sale of this previously leased item.
3. On the tax return number line, you have written the correct tax return number either from the

- Form ST-556 filed by the Illinois retailer when you purchased the item and paid the tax, or
- Form RUT-25 filed when the item was purchased and the tax paid.

**Line 11** If you collected more tax than is due on this sale, write the amount you overcollected.

**Line 12** Line 8 minus Line 9 minus Line 10 plus Line 11.

**Line 13** If you have a credit memorandum and you wish to use it towards what you owe, write the amount you are using on Line 13.

**Line 14** Subtract Line 13 from Line 12, and write the amount due. Also, write the number of the remittance you are sending to pay the tax due on this return. If you are filing more than one Form ST-556, please enclose a separate remittance for each return.

You owe a **late filing penalty** if you do not file a processable return by the due date, a **late payment penalty** if you do not pay the amount you owe by the original due date of the return, a **bad check penalty** if your remittance is not honored by your financial institution, and a **cost of collection fee** if you do not pay the amount you owe within 30 days of the date printed on an assessment. We will bill you for any amounts owed. For more information, see Publication 103, Penalties and Interest for Illinois Taxes. To receive a copy of this publication, visit our web site at [tax.illinois.gov](http://tax.illinois.gov) or call 1 800 356-6302.

**Sign the return**

Both the seller and all buyers must sign the return.

If you claimed a qualified trade-in for the item sold, the signatures also declare that the title of the traded-in item has been properly assigned and surrendered to the seller.